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**FORTY MILLION DOLLAR FRAUD ATTEMPT IN
MEDI-CAL AND FAMILY PACT PROGRAMS**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that a federal grand jury returned a one-count indictment charging KHALED AHMED, 41, and SANDRA CERVANTES, 31, of Los Angeles, California, for defrauding and attempting to defraud the Medi-Cal and Family Pact Programs out of in excess of \$40,000,000.

Today's indictment states that KHALED AHMED was the true owner of seven clinics operating in Huntington Park and Los Angeles despite that under California law only a California licensed doctor can own a clinic and bill the Medi-Cal Program. SANDRA CERVANTES, the wife of KHALED AHMED, was the biller for AHMED'S businesses. The grand jury also charged that defendant KHALED AHMED was the owner of three pharmacies located in Huntington Park. The indictment claims that defendants KHALED AHMED and SANDRA CERVANTES used a variety of schemes in order to falsely bill the Medi-Cal and Family Pact Programs for services not performed, or performed, but not by individuals licensed to provide medical treatment in the State of California. The grand jury also charges that the defendants were billing for services that were never performed at all, and for medically unnecessary procedures and medical supplies, some of which were never actually provided to the beneficiaries.

According to Assistant United States Attorney Daniel S. Linhardt, who is prosecuting the case, each of the defendants faces a maximum of 10 years imprisonment.

United States Attorney Scott stated that this case represents the largest of any of the almost 360 health care fraud cases filed by his office in the last several years. These cases have charged in excess of \$340,000,000 in fraudulent billing to the Medi-Cal Program.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

This case is the product of an extensive joint investigation by the FBI and California Department of Health Services.

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